



HERHOF GMBH



**REPORT AND FINANCIAL STATEMENTS  
31<sup>ST</sup> DECEMBER 2005**

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**Report and Financial Statements**

**31<sup>st</sup> December 2005**

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## HERHOF GMBH

### BOARD OF DIRECTORS AND OTHER OFFICERS

#### Board of Directors:

Leonidas Bobolas  
Michael Koch (Managing Director)

#### Authorised signatures:

Dimitris Grammatas  
Yannis Kokotsis  
Markus Witzstrock  
Roland Hühn

#### Registration:

Registered at Court of Wetzlar  
HR B 4932

#### Office:

Riemannstraße 3  
35606 Solms-Niederbiel  
Germany

#### Shareholder:

100 % Helector S.A.  
KRITIS & GRAVIAS STR. 12  
164 51 ARGIROUPOLI - ATHENS  
Greece

Herhof GmbH

Report of the Board of Directors

**General introduction**

1. Herhof GmbH was purchased on 20<sup>th</sup> May 2005 by Helector S.A. in order to start developments and activities in the field of waste treatment and services. This acquisition of Herhof was a strategic investment for Helector S.A. in a new business field. The Herhof-Dry-Stabilat-Method is a very advanced and acknowledged technology for treatment of municipal solid waste. It is anticipated that these kinds of technology will replace in future mass burn incinerators and especially landfills worldwide.

**Principal activities**

2. The principal activities of the company are the construction of mechanical-biological waste treatment plants, composting plants, waste water purification plant, construction of air treatment plants as well as operation of these plants and all connecting services.

**Review of developments, positions and performance of the company's business**

3. The business of the company started very well in the year 2005. We could achieve to be awarded to complete the project in Osnabrück and additionally the biological part of the project in Niederlehme (Berlin). For this reason the financial situation of the company at the end of the year 2005 was satisfactory. Both projects will be completed in 2006 and therefore a considerable order value could be transferred in 2006.

**Principal risks and uncertainties**

4. The principle risk and at the same time the principle challenge of the company is now to launch in new projects in the field of the international waste treatment market.

**Future developments**

5. The company will start beside its core business to provide service and maintenance as well as the provision of spare parts for existing plants. In parallel new promising markets for the application of the patent secured MBT-technology will be explored.

### **Results**

6. The company's results for the year are set out on page 9. The board of directors does not recommend a payment of the dividend and the net profit for the year is retained.

### **Share capital**

7. The company was purchased on 20<sup>th</sup> May 2005 with an authorised share capital of 25.000 Euro. On 27<sup>th</sup> July 2005 the share capital was increased to 300.000 Euro.

### **Directors**

8. The members of the board of directors at 31<sup>st</sup> December 2005 and at the date of this report are shown on page 1. The Managing Director Michael Koch was a member of the board since the purchase on 20<sup>th</sup> May 2005. Leonidas Bobolas was appointed on 27<sup>th</sup> July 2005.

### **Auditors**

9. The auditors, Grau & Partner GmbH, Germany, have performed an audit review of the German financial statements at 31<sup>st</sup> December 2005 and reported this to the board of directors. The statement of the audit review is set out on pages 4 to 7. For the year 2006 Grau & Partner GmbH will perform a full audit for the company. A resolution giving authority to the directors to execute the necessary order and to fix their remuneration will be proposed at the annual general meeting.

### **Events after the Balance Sheet Date**

10. There were no material events which occurred after the end of the financial year.

By Order of the Board

Michael Koch  
Managing Director

10 March 2006

## **Herhof GmbH**

### **Audit Review Certification of Independent Auditors**

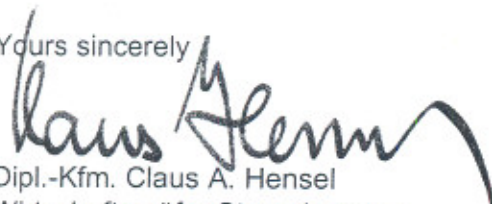
We have reviewed the balance sheet, income statement, and cash flow statement and disclosures which are included in the IFRS reporting package of the **Herhof GmbH** as of and for the year ended **31 December 2005**. These statements are the responsibility of the company's management. Our responsibility is to express an opinion on these financial statements based on our audit review.

We conducted our audit review in accordance with the International Standards on Auditing. Those Standards require that we plan and perform the audit review to obtain reasonable assurance about whether the statements are free of material misstatement. Our audit review includes examining, on a test basis, evidence supporting the amounts and disclosures in the statements. The audit review also includes assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall financial statement presentation. We believe that our audit review provides a reasonable basis for our opinion.

The balance sheet, the income statement, and the cash flow statement were prepared in accordance with the International Financial Reporting Standards and for the purpose of providing the company's parent, Elliniki Technodomiki TEB, Greece, with financial information necessary for the preparation of Elliniki Technodomiki Group consolidated financial statements.

In our opinion, the IFRS reporting package present fairly, in all material respects, the financial position of the company as of **31 December 2005** and the results of its operations and its cash flows for the year then ended, in accordance with the International Financial Reporting Standards. In our opinion, after due inspections and having considered the effects of the above exception, if any, the statements in the reporting package are suitable for inclusion in the consolidated financial statements of Elliniki Technodomiki TEB and for the year ended **31 December 2005**.

Yours sincerely



Dipl.-Kfm. Claus A. Hensel  
Wirtschaftsprüfer-Steuerberater

<b>II C Income Statement 12-months</b>				<b>IFRS</b>	
				<b>12 months until</b>	
<i>Amounts in Euro</i>	<b>Note</b>			<b>00. Jan 00</b>	<b>00. Jan 00</b>
<b>Sales</b>		<b>200</b>		<b>7.463.328,88</b>	
Cost of Sales		<b>201</b>		-5.866.056,12	
<b>Gross profit</b>		<b>202</b>		<b>1.597.272,76</b>	<b>0</b>
Selling expenses		<b>203</b>		-71.702,48	
Administrative expenses		<b>204</b>		-314.852,51	
Other operating income/(expenses) (net)	34	<b>205</b>		-72.207,34	
<b>Operating results</b>		<b>206</b>		<b>1.138.510,43</b>	<b>0</b>
Income from dividends		<b>207</b>		0,00	
Share of profit/(loss) from associates		<b>208</b>		0,00	
Profit/(Loss) from Joint Ventures		<b>209</b>		0,00	
Financial income (expenses) – net	32	<b>210</b>		-1.949,43	
<b>Profits before income tax</b>		<b>211</b>		<b>1.136.561,00</b>	<b>0</b>
Income tax	33	<b>212</b>		-448.691,09	
<b>Net profit for the period</b>		<b>213</b>		<b>687.869,91</b>	<b>0</b>
<b>Distributed to:</b>					
Shareholders of the parent company				687.869,91	0
Minority rights					
				<b>687.869,91</b>	<b>0</b>
<b>Profits per share that correspond to the shareholders of the parent company for the period (expressed in Euros per share)</b>					
Basic					

Balance Sheet	Note	IFRS		
		31. Dez 05	31. Dez 04	
<i>Amounts in Euro</i>				
<b>ASSETS</b>		<b>100</b>		
<b>Non-current assets</b>		<b>101</b>		
Property, plant and equipment	10	102	290.180	0
Intangible assets	11	103	7.333	0
Investment in property	12	104	0	0
Investments in subsidiaries	13	105	0	0
Investments in associates (consolidated using the equity method)	14	106	150.000	0
Investments in Joint Ventures	15	107	0	0
Other investments	16	108	0	0
Financial assets available for sale	16	109	0	
Deferred tax asset	18	110	0	0
Other non-current receivables	20	111	0	0
		112	447.513	0
<b>Current assets</b>		<b>113</b>		
Inventory	19	114	209.047	0
Trade and other receivables	20	115	9.070.966	0
Financial assets available for sale	16	116	0	
Securities	16, 17	117	0	0
Financial assets at fair value through profit or loss	17	118	0	
Cash and cash equivalents	21	119	241.655	0
		120	9.521.668	0
<b>Total assets</b>		<b>121</b>	<b>9.969.181</b>	<b>0</b>
<b>EQUITY</b>		<b>122</b>		
		123		
Share capital	22	124	300.000	0
Premium on capital stock	22	125	0	0
Own shares	22	126	0	0
Other reserves	23	127	0	0
Profits/(losses) carried forward		128	685.945	-1.925
		129	985.945	-1.925
Minority interest		130	0	
<b>Total equity</b>		<b>131</b>	<b>985.945</b>	<b>-1.925</b>
<b>LIABILITIES</b>		<b>132</b>		
<b>Non-current liabilities</b>		<b>133</b>		
Borrowings	24	134	0	0
Deferred tax liabilities	18	135	367.664	0
Retirement benefit obligations	25	136	0	0
Grants	26	137	0	0
Other long-term liabilities	27	138	0	0
Other long-term provisions	28	139	0	0
		140	367.664	0
<b>Current liabilities</b>		<b>141</b>		
Trade and other payables	27	142	8.437.181	0
Current income tax liabilities		143	80.970	
Borrowings	24	144	0	0
Dividends payable		145	0	
Other short-term provisions	28	146	97.421	0
		147	8.615.571	0
<b>Total liabilities</b>		<b>148</b>	<b>8.983.236</b>	<b>0</b>
<b>Total equity and liabilities</b>		<b>149</b>	<b>9.969.181</b>	<b>-1.925</b>
			-0	1.925



## Changes In Equity

<b>IFRS</b>					
	Share capital	Other reserves	Treasury shares	Results carried forward	Total
<b>Balance at 1 January 2004</b>					0
Currency translation differences					0
Effect of acquisitions and changes in participation interest in subsidiaries.					0
Profit/(loss) recognised directly in equity				-1.925	-1.925
Net profit for the period				0	0
<b>Total recognised net profit for the period</b>	0	0	0	-1.925	-1.925
Issue of Share capital/ (reduction)	0	0			0
(Purchase)/Sale of treasury shares					0
Transfer to reserves		0		0	0
Dividends					0
	0	0	0	0	0
<b>Balance at 31 December 2004</b>	0	0	0	-1.925	-1.925
<b>Balance at 1 January 2005</b>	0	0	0	-1.925	-1.925
Application of IAS 32 & 39	0	0	0	0	0
Currency translation differences	0	0	0	0	0
Effect of acquisitions and changes in participation interest in subsidiaries.	0	0	0	0	0
Profit/(loss) recognised directly in equity	0	0	0	0	0
Net profit for the period	0	0	0	687.870	687.870
<b>Total recognised net profit for the period</b>	0	0	0	687.870	687.870
Issue of Share capital/ (reduction)	300.000	0	0	0	300.000
(Purchase)/Sale of treasury shares	0	0	0	0	0
Transfer to reserves	0	0	0	0	0
Dividends	0	0	0	0	0
	300.000	0	0	0	300.000
<b>Balance at 31 December 2005</b>	<b>300.000</b>	<b>0</b>	<b>0</b>	<b>685.945</b>	<b>985.945</b>
<b>Check with Balance sheet 31 December 2004</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Check with Balance sheet 31 December 2005</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Balance reconciliation 31/12/2004 - 1/1/2005</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

## Cash flow statement

Amounts in Euro	Note	IFRS	
		31. Dez 05	31. Dez 04
<b>Cash flows from operating activities</b>			
Cash generated from operations	35	434.532	0
Interest paid		(2.130)	0
Income tax paid		(57)	0
<b>Net cash flows from operating activities</b>		<b>432.344</b>	<b>0</b>
<b>Cash flows from investing activities</b>			
Purchases of property, plant and equipment	10	(337.464)	0
Purchase of intangible assets	11	(8.000)	0
Purchase of investment property	12	0	0
Sale of property, plant and equipment (PPE)	35	4.593	0
Sale of intangible assets	35	0	0
Sales of investment property	35	0	0
Dividends received		0	0
Acquisition of Subsidiaries & increase of share capital of Subsidiaries	13	0	0
Sales of Subsidiaries	35	0	0
Acquisition of Associates	14	(150.000)	0
Sales of Associates	35	0	0
Acquisition of Joint Ventures	15	0	0
Sales of Joint Ventures	35	0	0
Purchase of financial assets available for sale	16	0	0
Sale of financial assets available for sale	35	0	0
Purchase of financial assets at fair value through P&L	17	0	0
Sale of financial assets at fair value through P&L	35	0	0
Interest received		181	0
Loans granted to related parties			
Loan repayments received from related parties			
Other (please clarify)			
<b>Net cash flows from investment activities</b>		<b>-490.690</b>	<b>0</b>
<b>Cash flows from financing activities</b>			
Issue of ordinary shares	22, 23	300.000	0
Sale/(Purchase) of treasury shares	22, 23	0	0
Dividends paid		0	0
Loans received			
Loans repaid			
Financial Lease capital repayment			
Grants received		0	0
Dividends distributed to minority rights			
Other (please clarify)			
<b>Net cash flows from financing activities</b>		<b>300.000</b>	<b>0</b>
<b>Net (decrease)/increase in cash, cash equivalents and bank overdrafts</b>		<b>241.654</b>	<b>0</b>
Cash, cash equivalents and bank overdrafts at beginning of the period		0	
Currency translation differences on cash and bank overdrafts			
<b>Cash and Cash equivalent at end of the period</b>		<b>241.654</b>	<b>0</b>
		(0)	0
		(0)	